

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
AMERICAN MILLENNIUM CORPORATION,	)	ADMINISTRATIVE ORDER
INC.	)	NO. CD-2001-0003
JACK AUGSBACK & COMPANY, LLC	)	
	)	
<u>RESPONDENTS</u>	)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. AMERICAN MILLENNIUM CORPORATION, INC. ("RESPONDENT AMCI") is represented to be a New Mexico corporation, with a business address of 1010 10<sup>TH</sup> Street, Suite 100, Golden, CO 80401.

2. JACK AUGSBACK & COMPANY, LLC ("RESPONDENT AUGSBACK"), is represented to be an Investment Banking and Asset Management limited liability company, with a business address of 580 Village Boulevard, Suite 140, West Palm Beach, FL 33409.

STATEMENT OF FACTS

3. On September 12, 2000, a notice filing, pursuant to Rule 506 of Regulation D, was filed with the Commission on behalf of RESPONDENT AMCI. Review of the application disclosed that RESPONDENT AMCI reflected on the Form D that RESPONDENT AUGSBACK "...has been selected for the sale of securities as broker-dealer for the offering, and that a sale of \$12,500 of RESPONDENT AMCI's

securities had been sold to an accredited Alabama investor. The application was deficient in that RESPONDENT AMCI identified RESPONDENT AUGSBACK as its broker-dealer in Alabama, when in fact RESPONDENT AUGSBACK was not registered as a dealer or agent in the state of Alabama. On September 18, 2000, a deficiency letter was dispatched to RESPONDENT AMCI, with advice of RESPONDENT AUGSBACK's non-registration, and requesting that RESPONDENT AMCI furnish a list of Alabama investors, their addresses, dates of transactions and fees earned by RESPONDENT AUGSBACK for sales in the state of Alabama. No response was received to this deficiency letter, and on October 24, 2000 a follow-up deficiency letter was dispatched to RESPONDENT AMCI (letter received by RESPONDENT AMCI on October 30, 2000). No response was received to this deficiency letter and on December 8, 2000, a voice mail message was left for the Executive Officer of RESPONDENT AMCI, Andrew Cauthen, advising him that it was imperative that he provide the commission staff with the requested information.

4. By letter, dated December 14, 2000, RESPONDENT AMCI provided a response, but not the requested sales information required by the Commission's letters of September 18, 2000 and October 24, 2000. RESPONDENT AMCI furnished a copy of a letter from RESPONDENT AUGSBACK, dated November 10, 2000, in which Jack Augsback of RESPONDENT AUGSBACK states that **"This matter should have been with Angel Investors, LLC, our broker-dealer affiliate who was licensed in Alabama at the time of this sale. The paperwork and commissions should have been allocated to Angel. We as a normal course of business, do not involve individuals in any state, preferring instead to work mainly through off-shore investment funds and larger institutions. To my knowledge we have neither before nor after this transaction ever offered, sold or considered any such transaction in the State of Alabama and will conduct any such sales in the future through our licensed affiliate."** RESPONDENT AMCI added that it has terminated the services of RESPONDENT AUGSBACK; that it has closed the Rule 506 Private Offering; has not and will not sell additional securities in the state of Alabama through a broker-dealer or otherwise.

5. Review of the files of the Alabama Securities Commission disclosed no record of the registration of RESPONDENT AUGSBACK as a dealer or agent in the state of Alabama.

#### CONCLUSIONS OF LAW

6. RESPONDENT AMCI has allowed RESPONDENT AUGSBACK to offer its common stock to an Alabama resident and RESPONDENT AMCI paid a commission to RESPONDENT AUGSBACK. Neither RESPONDENT AUGSBACK nor its alleged affiliate, Angel Investors, LLC, were registered as securities dealers or agents in the state of Alabama, at the time of the sale or since that time.

7. The sale of securities by an unregistered dealer or agent in the state of Alabama is a violation of Section 8-6-3(a), Code of Alabama 1975., which cites **"It is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under this article. It is unlawful for any dealer or issuer to employ an agent unless the agent is registered."**, and a violation of the Commission's policy statement concerning Rule 506 Limited Offering Exemption filings which states **"No commission, finders fee or other remuneration shall be paid or given, directly or indirectly, to any person for soliciting any prospective purchaser in this state, unless such person is registered as a broker-dealer agent in this state pursuant to Code of Alabama 1975, Section 8-6-3."**

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.


This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Alabama Securities Act.

**ACCORDINGLY, IT IS HEREBY ORDERED** that RESPONDENTS AMCI and AUGSBACK, immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 11<sup>th</sup> day of January, 2001.

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:

  
JOSEPH P. BORG  
Director

